THE ESTIMATED ECONOMIC IMPACT OF **GDOT CONSTRUCTION AND MAINTENANCE PROJECTS FY 2017**



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Carl Vinson Institute of Government UNIVERSITY OF GEORGIA

EVERY \$1 MILLION IN ROAD PROJECTS GENERATES AN ADDITIONAL \$850,000 IN ECONOMIC ACTIVITY

Jobs multipliers describe the total number of jobs generated as a result of one job in a given industry. Thus, an employment multiplier of 1.8 means that 100 direct jobs in that industry support 180 jobs in the total economy: the original 100 jobs and 80 additional jobs through indirect and induced economic activity.

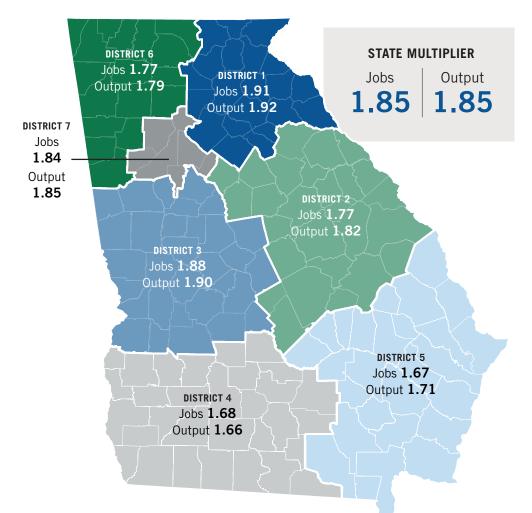
Economic output

multipliers describe the total output generated as a result of \$1.00 of output in a given industry. Thus, an output multiplier of 2.0 means that for every dollar of production in that industry, \$2.00 of activity is generated in the local economy: the original dollar and an additional \$1.00 through indirect and induced economic activity.

Statewide, Georgia's employment multiplier for the road and bridge construction, engineering, and maintenance sectors is 1.85. This means that the 11,604 estimated direct jobs in these sectors from GDOT's FY 2017 projects resulted in a total of 21,428 jobs supported in Georgia.

GDOT's FY 2017 projects resulted in direct economic output of \$1.81 billion for road and bridge construction, engineering, and maintenance. The estimated total economic output of just about \$3.35 billion includes activity at the suppliers and subcontractors that provided materials and services for those projects as well as the induced impact from the labor income associated with the direct and indirect employment. Induced jobs are those in the retail and service sectors that are supported when the direct and indirect employees spend their salaries and wages.

GEORGIA DEPARTMENT OF TRANSPORTATION DISTRICT ECONOMIC MULTIPLIERS



	JOE	3S	OUTPUT (000S OF 2017 DOLLARS)			
	Direct	Total	Direct	Total		
DISTRICT 1	1,390	2,660	\$223,077	\$428,291		
DISTRICT 2	950	1,683	\$142,931	\$260,478		
DISTRICT 3	2,709	5,103	\$410,693	\$782,244		
DISTRICT 4	1,883	3,156	\$279,935	\$465,817		
DISTRICT 5	924	1,542	\$138,329	\$236,589		
DISTRICT 6	1,207	2,132	\$181,770	\$325,868		
DISTRICT 7	926	1,708	\$168,045	\$311,267		
DESIGN AND Engineering	664	1,649	\$108,164	\$238,715		
LMIG*	953	1,794	\$156,562	\$297,153		
TOTAL	11,604	21,428	\$1,809,507	\$3,346,422		

Totals may not sum due to rounding. Source: IMPLAN, Carl Vinson Institute of Government. *Local Maintenance and Improvement Grants. JOBS AND ECONOMIC OUTPUT SUPPORTED BY GDOT PROJECTS FY 2017 CONSTRUCTION, MAINTENANCE, AND ENGINEERING SECTORS

Jobs 11,604 Labor Income \$552 million Output \$1.83 billion

Jobs 21,428

TOTAL IN GEORGIA Labor Income \$1.02 billion

Output \$3.35 billion

FY 2017 PROJECTS LET AND AWARDED BY GDOT

ROUTINE MAINTENANCE 259 Projects

\$105,512,335

LOCAL MAINTENANCE AND IMPROVEMENT GRANTS

> 688 Grants \$156,562,234

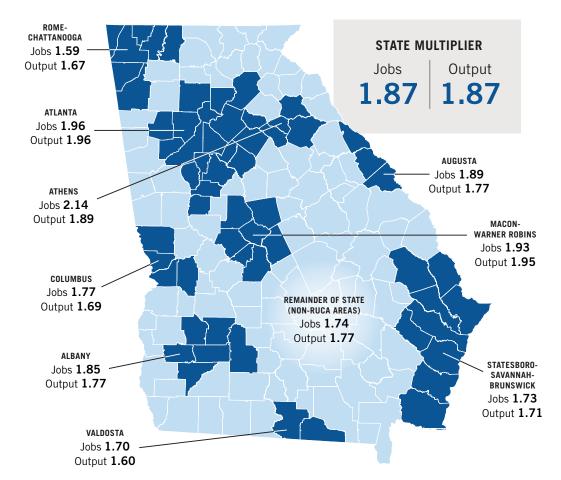
CONSTRUCTION AND CAPITAL MAINTENANCE 383 Projects \$1,459,516,458 DESIGN AND ENGINEERING \$108,163,822

TOTAL 642 Projects 688 Grants \$1,829,754,849

TRANSPORTATION PROJECTS GENERATE ECONOMIC ACTIVITY STATEWIDE

The Economic Research Service (ERS) at the US Department of Agriculture defines a rural-urban commuting area (RUCA) based on a population density threshold at the census block level that suggests significant numbers of workers commute to population centers from those areas. The data used in this analysis are based on Georgia's 159 counties, while RUCAs include both entire counties and parts of counties. To approximate each RUCA in Georgia, the research team created county-based geographies that include the counties in the ERS RUCA definition that have a significant proportion of land area meeting the density threshold.

The state as a whole has employment and output multipliers of 1.87. Most of the urban areas have multipliers between 1.8 and 2.0, but some urban areas and the rural area of the state are lower, ranging between 1.6 and 1.8.



JOBS OUTPUT (OOOS OF 2017 DOLLARS) Direct Total Direct Total **ROME-CHATTANOOGA** 700 1,115 \$96,024 \$160,418 ATLANTA \$874,200 2,581 5,049 \$445,379 ATHENS 17 36 \$2,882 \$5,444 AUGUSTA 54 101 \$9,208 \$16,287 MACON-WARNER ROBINS 1,857 3,592 \$283,986 \$553,147 COLUMBUS 109 192 \$17,236 \$29,136 ALBANY 221 409 \$35,024 \$62,085 VALDOSTA 458 780 \$76,369 \$122,053 STATESBORO-SAVANNAH-BRUNSWICK 727 1,256 \$114,089 \$195,228 **REMAINDER OF STATE (NON-RUCA AREAS)*** 3,168 5,501 \$464,218 \$821,473 664 DESIGN AND ENGINEERING 1,649 \$108,164 \$238,715 LOCAL MAINTENANCE AND IMPROVEMENT GRANTS 953 1,794 \$156,562 \$297,153 TOTAL STATE 11,506 21,475 \$1,809,141 \$3,375,339

RURAL AND URBAN AREA ECONOMIC MULTIPLIERS

*Includes impacts from \$8 million in expenditures for 7 projects assigned to "all counties." Source: IMPLAN, Carl Vinson Institute of Government.

Benefits over 10 years to the Atlanta, Augusta, Macon-Warner Robins, and Statesboro-Savannah-Brunswick urban regions from 15 recent projects that produced transportation system efficiency improvements:



GEORGIA MOTOR USE FUEL TAX RATES AND REVENUE, FY 2013 TO FY 2018

FISCAL YEAR	TAX RATE EFFECTIVE DATE	GASOLINE		DIESEL				
		Excise Tax (Cents per Gallon)	Sales Tax* (Cents per Gallon)	Total	Excise Tax (Cents per Gallon)	Sales Tax* (Cents per Gallon)	Total	STATE MUFT REVENUES**
FY 2013	1-Jul-12	7.5	9.1	16.6	7.5	10.7	18.2	\$1,000,625,732
	1-Jan-13	7.5	9.0	16.5	7.5	10.9	18.4	
FY 2014	1-Jul-13	7.5	9.5	17.0	7.5	10.4	17.9	\$1,006,493,364
	1-Jan-14	7.5	8.8	16.3	7.5	10.4	17.9	
FY 2015	1-Jul-14	7.5	8.8	16.3	7.5	10.4	17.9	\$997,333,000
	1-Jan-15	7.5	8.8	16.3	7.5	10.4	17.9	
FY 2016	1-Jul-15	26.0	-	26.0	29.0	-	29.0	\$1,605,915,000
	1-Jan-16	26.0	-	26.0	29.0	-	29.0	
FY 2017	1-Jul-16	26.0	-	26.0	29.0	-	29.0	\$1,747,347,000
	1-Jan-17	26.3	-	26.3	29.4	-	29.4	
FY 2018	1-Jul-17	26.3	-	26.3	29.4	-	29.4	\$1,768,350,000
	1-Jan-18	26.8	-	26.8	30.0	-	30.0	

*3% prepaid state tax rate. **FY 2018 estimate from Amended FY 2018 Budget in Brief. Sources: Georgia Department of Revenue, Governor's Office of Planning and Budget.





The Georgia Department of Transportation plans, designs, constructs, maintains, and improves the state's roads and bridges, and interstate highways; and provides planning and financial support for other modes of transportation including rail, transit, general aviation, and bicycle and pedestrian programs. The department is also involved in waterways, including the Savannah and Brunswick ports and the Intracoastal Waterway.

Vision: Boost Georgia's competitiveness via leadership in transportation **Mission:** Deliver a transportation system focused on innovation, safety, sustainability, and mobility

This report was developed and designed by the



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